

**CITY OF COUNCIL GROVE, KANSAS**

**FINANCIAL STATEMENT**

**WITH INDEPENDENT AUDITOR'S REPORT**

**AND**

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

December 31, 2017

**CITY OF COUNCIL GROVE, KANSAS**  
**TABLE OF CONTENTS**  
December 31, 2017

	<b>Page Number</b>
<b>Independent Auditor's Report</b>	<b>1 - 2</b>
<b>Statement 1</b>	
<b>Statement of Cash Receipts, Expenditures and Unencumbered Cash</b>	<b>3 - 4</b>
<b>Notes to Financial Statement</b>	<b>5 - 14</b>
<b>Regulatory-Required Supplemental Information</b>	
<b>Summary of Expenditures - Actual and Budget</b>	<b>16</b>
<b>Schedule of Receipts and Expenditures - Actual and Budget/Actual</b>	
<i>General Fund</i>	<b>17 - 20</b>
<i>Special Purpose Funds</i>	
<i>Industrial Development</i>	<b>21</b>
<i>Library</i>	<b>22</b>
<i>Library Benefits</i>	<b>23</b>
<i>Special Highway</i>	<b>24</b>
<i>Special Recreation</i>	<b>25</b>
<i>Employee Benefit</i>	<b>26</b>
<i>Highway Maintenance</i>	<b>27</b>
<i>Diversion</i>	<b>28</b>
<i>Equipment Reserve</i>	<b>29</b>
<i>Computer Tech and Equipment Reserve</i>	<b>30</b>
<i>Capital Improvement Reserve</i>	<b>31</b>
<i>Bond and Interest Fund</i>	<b>32</b>
<i>Capital Projects Fund</i>	<b>33</b>
<i>Business Funds</i>	
<i>Water Utility</i>	<b>34</b>
<i>Water Maintenance Reserve</i>	<b>35</b>
<i>Water Bond Reserve</i>	<b>36</b>
<i>Sewer Utility</i>	<b>37</b>
<i>Sewer Reserve</i>	<b>38</b>
<i>Refuse Utility</i>	<b>39</b>
<i>Trust Fund</i>	
<i>Cemetery Endowment</i>	<b>40</b>
<b>Summary of Receipts and Disbursements</b>	
<i>Agency Funds</i>	<b>41</b>
<b>Schedule of Receipts and Expenditures</b>	
<i>Related Municipal Entity</i>	
<i>Public Building Commission</i>	<b>42</b>

September 10, 2018

620-767-6653  
1-800-361-6545  
FAX 620-767-8149

Mayor and City Council  
City of Council Grove, Kansas

## Independent Auditor's Report

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Council Grove, Kansas (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

September 10, 2018  
City of Council Grove, Kansas  
(Continued)

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

#### **Report on Regulatory-Required Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of expenditures - actual and budget - regulatory basis and individual fund schedules of receipts and expenditures - actual and budget - regulatory basis (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



Certified Public Accountants  
Council Grove, Kansas

**CITY OF COUNCIL GROVE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
**Regulatory Basis**  
For the Year Ended December 31, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add:	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 1,577,832	\$ -	\$ 3,276,482	\$ 2,607,652	\$ 2,246,662	70,720	\$ 2,317,382
Special Revenue Funds							
Industrial Development	2,398	-	14,429	14,429	2,398	-	2,398
Library	11,949	-	72,140	72,140	11,949	-	11,949
Library Benefits	1,666	-	28,865	28,865	1,666	-	1,666
Special Highway	160,292	-	55,263	23,062	192,493	-	192,493
Special Recreation	3,996	-	21,150	7,846	17,300	-	17,300
Employee Benefit	5,689	9,643	-	2,703	12,629	113	12,742
Highway Maintenance	71,618	-	21,525	-	93,143	-	93,143
Diversion	5,452	-	1,165	2,331	4,286	-	4,286
Equipment Reserve	250,403	-	106,037	167,741	188,699	-	188,699
Computer/Equipment Reserve	10,672	-	5,313	3,419	12,566	-	12,566
Capital Improvement Reserve	478,376	-	66,000	20,903	523,473	-	523,473
Bond and Interest Fund							
Bond and Interest Fund	9,347	-	1,008	-	10,355	-	10,355
Capital Projects Fund							
Capital Projects	(72,870)	-	82,293	9,423	-	7,625	7,625
Business Funds							
Water	380,364	-	777,530	893,821	264,073	36,936	301,009
Maintenance Reserve	173,031	-	40,000	-	213,031	-	213,031
Water Bond Reserve	88,500	-	-	-	88,500	-	88,500
Sewer	365,380	-	231,443	209,529	387,294	5,247	392,541
Sewer Reserve	158,712	-	20,000	27,650	151,062	-	151,062
Refuse	7,771	-	144,348	143,300	8,819	-	8,819

STATEMENT 1

The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.

# Financial Statement

**CITY OF COUNCIL GROVE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)**  
**Regulatory Basis**  
For the Year Ended December 31, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Trust Fund							
Cemetery Endowment	\$ 90,795	\$ -	\$ 900	\$ -	\$ 91,695	\$ -	\$ 91,695
Related Municipal Entities							
Public Building Commission	313,500	-	212,648	212,648	313,500	-	313,500
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 4,094,873</b>	<b>\$ 9,643</b>	<b>\$ 5,178,539</b>	<b>\$ 4,447,462</b>	<b>\$ 4,835,593</b>	<b>\$ 120,641</b>	<b>\$ 4,956,234</b>
<b>Composition of Cash</b>							
Checking and Money Market Accounts							\$ 3,703,895
Certificates of Deposit							1,254,052
Petty Cash							200
Total Cash							\$ 4,958,147
Agency Funds Per Schedule 3							(1,913)
<b>Total Reporting Entity (Excluding Agency Funds)</b>							<b>\$ 4,956,234</b>

STATEMENT 1  
(CONTINUED)

The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.

# Financial Statement

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2017

**Note 1: Summary of Significant Accounting Policies**

***Municipal Financial Reporting Entity***

The City of Council Grove, Kansas (the City) is a governmental entity governed by a six member council and mayor. The City provides the following services: public safety (police and fire), streets, sanitation, water, recreation, public improvements, planning and zoning and general administrative services. The City operates two business activities; water and sewer. In addition, the City also contracts for solid waste collection.

This regulatory basis financial statement presents the City and the Council Grove Public Building Commission (PBC). The PBC is a related municipal entity of the City, and was organized in June 2012 pursuant to K.S.A. 12-1757 et seq., as amended. The Public Building Commission board is comprised of the City Council and Mayor.

***Regulatory Basis Fund Types***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

*General Fund* - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

*Special Purpose Funds* - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

*Bond and Interest Fund* - Bond and interest fund is used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

*Capital Project Funds* - Capital Project Funds are used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

*Business Funds* - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

*Agency Funds* - Agency funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

***Basis of Accounting***

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and reimbursed payroll fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Note 2: Stewardship, Compliance and Accountability**

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and legal representatives of the municipality.

K.S.A. 79-2935 requires that expenditures be controlled so that no indebtedness is created in excess of budgeted fund limits. The water fund exceeded the published budget by \$71,476.

Management is not aware of any other items of noncompliance with Kansas statutes or contracts.



**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 3: Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when coverage is 50%. All deposits were legally secured at December 31, 2017.

The City maintains a cash pool that is available for use by all funds. At year-end, the carrying amount of the city's deposits, including certificates of deposit, was \$4,958,147. The bank balance was \$5,098,310. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$500,000 was covered by FDIC insurance, \$4,498,310 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The third party bank is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the City, the pledging bank, and the independent third party bank holding the pledged securities. The City held no investments at December 31, 2017.

**Note 4: Property Taxes**

The City certifies its' budget to the county clerk annually. Using this certified budget and those of other political subdivisions within the county, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20 of the same year. The second installment is due May 10 of the subsequent year. The county collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations. Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the county treasurer at year end and, further, the amounts are not material in relationship to the financial statement taken as a whole.

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 5: Fund Transfers**

The City transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made in 2017.

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 72,537
General Fund	Capital Improvement Fund	K.S.A. 12-825d	10,000
Water Fund	Equipment Reserve Fund	K.S.A. 12-1,117	23,500
Sewer Fund	Equipment Reserve Fund	K.S.A. 12-1,117	10,000
Water Fund	Water Reserve Fund	K.S.A. 12-825d	15,000
Sewer Fund	Sewer Reserve	K.S.A. 12-825d	20,000
Sewer Fund	General Fund	K.S.A. 12-825d	11,989
General Fund	City Lake CIP Fund	K.S.A. 12-825d	42,000
Water Fund	Capital Improvement Fund	K.S.A. 12-825d	14,000
			<hr/>
			\$ 219,026

**Note 6: Defined Benefit Pension Plan**  
**Plan Description**

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions.** K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$77,185 for the year ended December 31, 2017.

**Net Pension Liability.** At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$731,557. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the (non-school municipality)'s contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Notes to Financial Statement**

**Note 7: Deferred Compensation Plan**

The City offers its employees a deferred compensation plan ("plan") created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until employment termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts shall be held in trust for the exclusive benefit of participants and their beneficiaries. All such amounts shall not be subject to the claims or the employer's general creditors.

**Note 8: Other Long-Term Obligations from Operations**  
***Compensated Absences***

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 6.16 hours of vacation pay and 3.69 hours of sick pay per pay period. No more than five days of vacation pay may be carried forward to the next anniversary year. Sick pay compensation at retirement is restricted to a maximum of thirty days and only if the employee worked at least ten years and is at least 55 years old. All accumulated vacation pay is payable upon employment termination. A maximum of seventy-five days of sick pay may be accumulated. Unused sick pay is forfeited upon employment termination other than retirement. Compensated absence payments are made from the fund that corresponds to the employees duties.

***Other Post-Employment Benefits***

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan until age 65. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

**Note 9: Long-Term Debt**  
***General Obligation Bonds***

General obligation bonds, payable from future property tax revenues and special assessments, are serial bonds to be retired through calendar year 2025. At December 31, 2017, the bonds consisted of the following:

On February 20, 2013, the City's KDHE loan for water system improvements was refinanced with general obligation bonds. These Series 2013 bonds carry interest rates between .4% to 2.75%. Semi-annual interest payments are due starting August 1, 2013. The bonds mature annually starting August 1, 2013 with the last bond maturing on August 1, 2025.

***Revenue Bonds***

On December 12, 2012, the City issued 2012 Series bonds in the amount of \$885,000 for the purpose of making improvements to the water utility system. These Series 2012 bonds carry interest rates between .75% to 3.75%. The bonds mature annually starting July 1, 2014 with the last bond maturing on July 1, 2033. A local sales tax issue was approved by the citizens allowing for the payment of these bonds and other various uses.

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 9: Long-Term Debt**

***KDOT Loan***

The City entered into a loan agreement with the Kansas Department of Transportation as of May 12, 2008 for a curb and gutter project on Washington Street. The loan is for \$703,261 and carries an interest rate of 3.99%. The city has dedicated sales tax proceeds from the general fund to finance the project, or in absence of sales tax revenues, they agree to levy tax sufficient for repayment. Interest payments are scheduled semi-annually, and principal payments are scheduled annually.

***KDHE Loans***

The City maintains a loan payable, secured by revenues derived from the operation of the sewer utility system payable to the Kansas Department of Health and Environment. Semi-annual payments of \$30,478 are scheduled. The loan carries an interest rate of 3.47%. Payments are made from the sewer fund.

In 2011, the City completed a project to improve the existing sewage system. The total project cost of \$509,600 was financed with a loan from the Kansas Department of Health and Environment (KDHE). The loan with KDHE is funded partially with FFY 2010 federal funds and received principal forgiveness of \$76,440 in 2011 upon project completion. One semi-annual payment of \$16,343 was scheduled March 1, 2012 and thirty-nine semi-annual payments of \$13,825 beginning September 1, 2012 are scheduled. Payments are scheduled to be made from the sewer reserve fund. The loan carries an interest rate of 2.55%.

***Lease Agreements***

The city entered into a lease agreement for the purchase of a fire truck on February 9, 2015. Monthly payments of \$2,147 are scheduled for twelve years with a final payment of \$100. The first payment was made in February 2015. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments are being made from the equipment reserve fund and general fund.

The city entered into a lease agreement for the purchase of storm siren upgrades on October 14, 2015. Annual payments of \$8,082 are scheduled for three years. The first payment is scheduled in February 2017. The amended lease will terminate in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation.

The city entered into a lease agreement for the purchase of land on March 17, 2015. Three annual payments of \$10,000 are scheduled. The first payment was made in 2015 and the final payment in 2017.

The city entered into a lease agreement for the purchase of a skid steer during 2017. A down-payment of \$25,000 was made, with annual payments of \$2,973 scheduled for ten years, with a final payment of \$100 in 2027. The lease will terminate in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation.

The city entered into a lease agreement for the purchase of a street sweeper during 2017. A down-payment of \$50,000 was made, with annual payments of \$29,089 scheduled for six years, with a final payment of \$100 in 2023. The lease will terminate in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation.

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 9: Long-Term Debt (Continued)**

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance of Year	Additions	Reductions/ Payments	Balance End of Year	2017 Interest Paid
<b>General Obligation Bonds</b>									
Series 2013 Water Imp Bonds	.4% - 2.75%	2/20/2013	\$ 1,645,000	8/1/2025	\$ 1,200,000	\$ -	\$ 130,000	\$ 1,070,000	\$ 12,898
<b>Revenue Bonds</b>									
Series 2012 Water Imp Bonds	.75% - 3.75%	12/12/2012	885,000	7/1/2033	\$ 795,000	\$ -	\$ 35,000	\$ 760,000	\$ 23,684
<b>KDOT Loan</b>									
Washington Street Proj TR 0075	3.99%	5/12/2008	703,300	8/1/2027	\$ 448,620	\$ -	\$ 35,603	\$ 413,017	\$ 17,900
<b>KDHE Loans</b>									
KDHE Water Pollution Control									
Revolving Loan #1358-01	3.47%	11/25/1996	878,230	9/1/2017	\$ 59,406	\$ -	\$ 59,406	\$ -	\$ 1,550
Revolving Loan #1784-01	2.55%	7/1/2010	509,600	9/1/2031	342,851	-	19,028	323,823	8,622
<b>Total KDHE Loans</b>					<b>\$ 402,257</b>	<b>\$ -</b>	<b>\$ 78,434</b>	<b>\$ 323,823</b>	<b>\$ 10,172</b>
<b>Capital Leases</b>									
Fire Truck	2.70%	2/9/2015	264,516	2/9/2027	\$ 227,298	\$ -	\$ 19,873	\$ 207,425	\$ 5,893
Storm Sirens	0.00%	10/14/2015	24,246	2/1/2019	24,246	-	8,082	16,164	-
Real Estate	0.00%	3/17/2015	30,000	4/1/2017	10,000	-	10,000	-	-
Skid Steer	3.32%	10/1/2017	50,023	10/10/2027	-	50,023	25,000	25,023	-
Street Sweeper	3.32%	6/1/2017	206,003	6/22/2023	-	206,003	50,000	156,003	-
<b>Total Capital Leases</b>					<b>\$ 261,544</b>	<b>\$ 256,026</b>	<b>\$ 112,955</b>	<b>\$ 404,615</b>	<b>\$ 5,893</b>
<b>Related Municipal Entity</b>									
Public Building Commission Bonds	.5% - 3.75%	11/20/2012	3,135,000	6/1/2033	\$ 2,810,000	\$ -	\$ 130,000	\$ 2,680,000	\$ 82,648
<b>Total Long-Term Debt</b>					<b>\$ 5,917,421</b>	<b>\$ -</b>	<b>\$ 279,037</b>	<b>\$ 5,651,455</b>	<b>\$ 153,195</b>

CITY OF COUNCIL GROVE, KANSAS  
NOTES TO FINANCIAL STATEMENT (CONTINUED)  
December 31, 2017

**Note 9: Long-Term Debt (Continued)**

Current maturities of long-term debt and interest through maturity are as follows:

Principal	2018	2019	2020	2021	2022	2023 - 2027	2028 - 2032	2033 - 2034	Total
<b>General Obligation Bonds</b>									
Series 2013 Water Bonds	\$ 130,000	\$ 135,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 390,000	\$ -	\$ -	\$ 1,070,000
<b>Revenue Bonds</b>									
Series 2012 Water Imp Bonds	\$ 35,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 225,000	\$ 275,000	\$ 65,000	\$ 760,000
<b>KDOT Loan</b>									
Washington Street Proj TR 0075	\$ 37,023	\$ 38,501	\$ 40,037	\$ 41,634	\$ 43,295	\$ 212,527	\$ -	\$ -	\$ 413,017
<b>KDHE Loans</b>									
KDHE Water Pollution Control Revolving Loan #1784-01	\$ 19,516	\$ 20,017	\$ 20,530	\$ 21,057	\$ 21,598	\$ 116,591	\$ 104,514	\$ -	\$ 323,823
<b>Capital Leases</b>									
Fire Truck	\$ 20,417	\$ 20,975	\$ 21,548	\$ 22,138	\$ 22,743	\$ 99,604	\$ -	\$ -	\$ 207,425
Storm Sirens	8,082	8,082	-	-	-	-	-	-	16,164
Skid Steer	2,142	2,213	2,287	2,363	2,441	13,577	-	-	25,023
Street Sweeper	23,909	24,703	25,523	26,371	27,246	28,251	-	-	156,003
<b>Total Capital Leases</b>	\$ 54,550	\$ 55,973	\$ 49,358	\$ 50,872	\$ 52,430	\$ 141,432	\$ -	\$ -	\$ 404,615
<b>Related Municipal Entity</b>									
Public Building Commission Bonds	\$ 130,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 145,000	\$ 800,000	\$ 970,000	\$ 220,000	\$ 2,680,000
<b>Total Principal</b>	\$ 406,089	\$ 424,491	\$ 424,925	\$ 433,563	\$ 442,323	\$ 1,885,550	\$ 1,349,514	\$ 285,000	\$ 5,651,455

CITY OF COUNCIL GROVE, KANSAS  
NOTES TO FINANCIAL STATEMENT (CONTINUED)  
December 31, 2017

**Note 9: Long-Term Debt (Continued)**

Current maturities of long-term debt and interest through maturity are as follows:

Interest	2018	2019	2020	2021	2022	2023 - 2027	2028 - 2032	2033 - 2034	Total
<b>General Obligation Bonds</b>									
Series 2013 Water Bonds	\$ 24,170	\$ 22,220	\$ 19,858	\$ 17,157	\$ 14,008	\$ 19,858	\$ -	\$ -	\$ 117,271
<b>Revenue Bonds</b>									
Series 2012 Water Imp Bonds	\$ 23,465	\$ 22,851	\$ 22,153	\$ 21,293	\$ 20,432	\$ 84,748	\$ 43,626	\$ 2,438	\$ 241,006
<b>Other Loans</b>									
KDOT - Washington St. Proj.	\$ 16,479	\$ 15,002	\$ 13,466	\$ 11,869	\$ 10,208	\$ 23,704	\$ -	\$ -	\$ 90,728
KDHE Water Pollution	8,134	7,633	7,119	6,593	6,052	21,656	6,386	-	63,573
<b>Total Other Loans</b>	<b>\$ 24,613</b>	<b>\$ 22,635</b>	<b>\$ 20,585</b>	<b>\$ 18,462</b>	<b>\$ 16,260</b>	<b>\$ 45,360</b>	<b>\$ 6,386</b>	<b>\$ -</b>	<b>\$ 154,301</b>
<b>Capital Leases</b>									
Fire Truck	\$ 5,350	\$ 4,791	\$ 4,218	\$ 3,629	\$ 3,024	\$ 5,810	\$ -	\$ -	\$ 26,822
Skid Steer	831	760	686	610	532	1,388	-	-	4,807
Street Sweeper	5,179	4,386	3,565	2,718	1,842	938	-	-	18,628
<b>Total Capital Leases</b>	<b>\$ 11,360</b>	<b>\$ 9,937</b>	<b>\$ 8,469</b>	<b>\$ 6,957</b>	<b>\$ 5,398</b>	<b>\$ 8,136</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,257</b>
<b>Related Municipal Entity</b>									
Public Building Commission Bonds	\$ 80,860	\$ 78,704	\$ 76,123	\$ 73,218	\$ 70,081	\$ 314,612	\$ 134,554	\$ 4,125	\$ 832,277
<b>Total Interest</b>	<b>\$ 164,468</b>	<b>\$ 156,347</b>	<b>\$ 147,188</b>	<b>\$ 137,087</b>	<b>\$ 126,179</b>	<b>\$ 472,714</b>	<b>\$ 184,566</b>	<b>\$ 6,563</b>	<b>\$ 1,395,112</b>

**CITY OF COUNCIL GROVE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2017

**Note 10: Public Building Commission**

The City created the Council Grove Public Building Commission (PBC) under K.S.A. 12-1757 during 2012 for the purpose of issuing debt for the constructing and equipping a swimming pool. The City council and mayor comprise the PBC board. Bonds were issued by the PBC in the amount of \$3,135,000.

The City entered into a lease with PBC to lease land to the PBC. The PBC issued bonds for the swimming pool project and subsequently leased the project to the city. Forty scheduled semiannual payments began on December 1, 2013. The bonds carry interest rates of .5% to 3.75% depending on the maturity date.

**Note 11: Risk Management**

The City is exposed to various risks of loss including risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason the City joined together with other cities in the state to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 141 participating members.

The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The City, along with other participating entities, contributes annual amounts as determined by KMIT management and underwriters. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and currently holds \$3,000,000 of excess insurance with a specific retention of \$750,000. A member is only responsible for additional contributions to the KMIT trust which relate to claims arising out of occurrences in years in which the City is a member of the trust. As claims arise, they are submitted to and paid by KMIT.

The City continues to carry commercial insurance for all other risks of loss including property and liability insurance. There were no significant reductions in insurance coverage from coverage in place in prior years.

**Note 12: Utility Deposits**

The City requires utility deposits for city water services. Deposits are kept indefinitely until service is disconnected. Interest is paid annually and is credited to the individual's account. Refunds of deposit and interest are from the water fund.

**Note 13: Litigation Contingencies**

The City is a party to various claims, none of which is expected to have a material financial impact on the city.



**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF COUNCIL GROVE, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2017

Fund	Certified Budget	Adjustment for Budget Credits/ Adjustments	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
	\$ 3,609,894	\$ -	\$ 3,609,894	\$ 2,607,652	\$ (1,002,242)
General Fund					
Special Revenue Funds					
Industrial Development	15,498	-	15,498	14,429	(1,069)
Library	75,650	-	75,650	72,140	(3,510)
Library Benefits	33,065	-	33,065	28,865	(4,200)
Special Highway	236,764	-	236,764	23,062	(213,702)
Special Recreation	8,236	-	8,236	7,846	(390)
Employee Benefits	21,666	-	21,666	2,703	(18,963)
Highway Maintenance	93,143	-	93,143	-	(93,143)
Diversion	9,802	-	9,802	2,331	(7,471)
Bond and Interest	8,307	-	8,307	-	(8,307)
Business Funds					
Water	822,345	-	822,345	893,821	71,476
Sewer	251,865	-	251,865	209,529	(42,336)
Refuse	150,000	-	150,000	143,300	(6,700)

SCHEDULE 1

See Independent Auditor's Report.

*Regulatory-Required Supplemental Information*

**CITY OF COUNCIL GROVE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**  
For the Year Ended December 31, 2017

<b>GENERAL FUND</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Taxes and Shared Revenue			
Morris County	\$ 802,088	\$ 796,177	\$ 5,911
City Sales taxes	620,262	663,000	(42,738)
Franchise taxes	119,722	130,000	(10,278)
Total Taxes	<u>\$ 1,542,072</u>	<u>\$ 1,589,177</u>	<u>\$ (47,105)</u>
Intergovernmental Revenue			
Sales Tax	\$ 154,858	\$ 156,000	\$ (1,142)
Liquor Control Tax	3,550	-	3,550
Total Intergovernmental	<u>\$ 158,408</u>	<u>\$ 156,000</u>	<u>\$ 2,408</u>
Fees, Fines and Forfeitures	\$ 162,407	\$ 153,000	\$ 9,407
Use of Money and Property	1,258,915	440,800	818,115
Other	142,691	74,000	68,691
Transfers In	<u>11,989</u>	<u>26,989</u>	<u>(15,000)</u>
<b>Total Receipts</b>	<u><u>\$ 3,276,482</u></u>	<u><u>\$ 2,439,966</u></u>	<u><u>\$ 836,516</u></u>

*Regulatory-Required Supplemental Information*

**CITY OF COUNCIL GROVE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND (CONTINUED)**  
For the Year Ended December 31, 2017

<b>Expenditures</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Administrative</b>			
Personal services	\$ 187,950	\$ 145,003	\$ 42,947
Contractual	64,020	80,750	(16,730)
Commodities	52,000	10,850	41,150
Capital outlay	726	-	726
<b>Total</b>	<b>\$ 304,696</b>	<b>\$ 236,603</b>	<b>\$ 68,093</b>
<b>Police</b>			
Personal services	\$ 295,113	\$ 279,797	\$ 15,316
Contractual	24,119	49,600	(25,481)
Commodities	32,951	26,350	6,601
Capital outlay	415	5,000	(4,585)
<b>Total</b>	<b>\$ 352,598</b>	<b>\$ 360,747</b>	<b>\$ (8,149)</b>
<b>Street Department</b>			
Personal services	\$ 142,490	\$ 149,838	\$ (7,348)
Contractual	18,177	45,400	(27,223)
Commodities	55,378	66,400	(11,022)
Capital outlay	22,467	39,500	(17,033)
<b>Total</b>	<b>\$ 238,512</b>	<b>\$ 301,138</b>	<b>\$ (62,626)</b>
<b>Swimming Pool</b>			
Personal services	\$ 70,294	\$ 65,056	\$ 5,238
Contractual	19,674	36,000	(16,326)
Commodities	38,425	25,500	12,925
<b>Total</b>	<b>\$ 128,393</b>	<b>\$ 126,556</b>	<b>\$ 1,837</b>
<b>City Parks</b>			
Personal services	\$ 39,605	\$ 34,068	\$ 5,537
Contractual	26,043	32,500	(6,457)
Commodities	24,769	9,700	15,069
Capital outlay	5,617	5,000	617
<b>Total</b>	<b>\$ 96,034</b>	<b>\$ 81,268</b>	<b>\$ 14,766</b>
<b>Cemetery Care</b>			
Personal services	\$ 10,412	\$ 19,497	\$ (9,085)
Contractual	40,020	29,000	11,020
Commodities	235	3,000	(2,765)
Capital outlay	4,767	1,000	3,767
<b>Total</b>	<b>\$ 55,434</b>	<b>\$ 52,497</b>	<b>\$ 2,937</b>

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND (CONTINUED)**  
For the Year Ended December 31, 2017

<b>GENERAL FUND</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
City Fire			
Personal services	\$ 11,788	\$ 18,103	\$ (6,315)
Contractual	7,827	13,000	(5,173)
Commodities	12,262	9,100	3,162
Capital outlay	13,078	17,384	(4,306)
<b>Total</b>	<b>\$ 44,955</b>	<b>\$ 57,587</b>	<b>\$ (12,632)</b>
Rural Fire			
Personal services	\$ 6,893	\$ 9,364	\$ (2,471)
Contractual	5,004	11,600	(6,596)
Commodities	8,801	5,500	3,301
Capital outlay	13,078	15,884	(2,806)
<b>Total</b>	<b>\$ 33,776</b>	<b>\$ 42,348</b>	<b>\$ (8,572)</b>
Municipal Court			
Personal services	\$ 15,001	\$ 17,447	\$ (2,446)
Contractual	6,758	12,000	(5,242)
Commodities	542	500	42
Capital outlay	-	1,000	(1,000)
<b>Total</b>	<b>\$ 22,301</b>	<b>\$ 30,947</b>	<b>\$ (8,646)</b>
Recreation			
Personal services	\$ 68,889	\$ 80,039	\$ (11,150)
Contractual	12,497	34,985	(22,488)
Commodities	37,694	33,784	3,910
Capital outlay	2,957	3,000	(43)
<b>Total</b>	<b>\$ 122,037</b>	<b>\$ 151,808</b>	<b>\$ (29,771)</b>
City Lake			
Personal services	\$ 60,304	\$ 81,916	\$ (21,612)
Contractual	18,165	32,700	(14,535)
Commodities	183,975	25,550	158,425
Capital outlay	726	4,000	(3,274)
<b>Total</b>	<b>\$ 263,170</b>	<b>\$ 144,166</b>	<b>\$ 119,004</b>
Employee Benefits			
Social Security and Medicare	\$ 62,488	\$ 71,442	\$ (8,954)
Health and dental	214,956	183,692	31,264
Unemployment and work comp	8,895	44,000	(35,105)
KPERS	56,321	62,883	(6,562)
<b>Total</b>	<b>\$ 342,660</b>	<b>\$ 362,017</b>	<b>\$ (19,357)</b>

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
GENERAL FUND (CONTINUED)  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>GENERAL FUND</b>			
Street lighting	\$ 57,775	\$ 65,000	\$ (7,225)
PBC pool lease payments	212,648	212,648	-
City sales tax uses	208,126	1,283,384	(1,075,258)
Transfers	124,537	101,180	23,357
<b>Total</b>	<u>\$ 603,086</u>	<u>\$ 1,662,212</u>	<u>\$ (1,059,126)</u>
<b>Total Expenditures</b>	<u>\$ 2,607,652</u>	<u>\$ 3,609,894</u>	<u>\$ (1,002,242)</u>
Receipts Over (Under) Expenditures	\$ 668,830		
Unencumbered Cash, January 1	<u>1,577,832</u>		
Unencumbered Cash, December 31	<u>\$ 2,246,662</u>		

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
INDUSTRIAL DEVELOPMENT  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Taxes	\$ 14,429	\$ 14,280	\$ 149
<b>Expenditures</b>			
Industrial development	\$ 14,429	\$ 15,498	\$ (1,069)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, January 1	2,398		
Unencumbered Cash, December 31	\$ 2,398		

**Regulatory-Required Supplemental Information**

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
LIBRARY  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes	\$ 72,140	\$ 71,394	\$ 746
<b>Expenditures</b>			
Library appropriation	\$ 72,140	\$ 75,650	\$ (3,510)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, January 1	<u>11,949</u>		
Unencumbered Cash, December 31	<u>\$ 11,949</u>		

**Regulatory-Required Supplemental Information**



CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
LIBRARY BENEFITS  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes	\$ 28,865	\$ 28,566	\$ 299
<b>Expenditures</b>			
Library appropriation	\$ 28,865	\$ 33,065	\$ (4,200)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, January 1	<u>1,666</u>		
Unencumbered Cash, December 31	<u>\$ 1,666</u>		

**Regulatory-Required Supplemental Information**

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
SPECIAL HIGHWAY  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
State of Kansas	\$ 55,263	\$ 54,630	\$ 633
<b>Expenditures</b>			
Street repairs and improvements	\$ 23,062	\$ 236,764	\$ (213,702)
Receipts Over (Under) Expenditures	\$ 32,201		
Unencumbered Cash, January 1	<u>160,292</u>		
Unencumbered Cash, December 31	<u>\$ 192,493</u>		

**Regulatory-Required Supplemental Information**

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
SPECIAL RECREATION  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Liquor tax	\$ 3,550	\$ -	\$ 3,550
Other	17,600	-	17,600
<b>Total Receipts</b>	<u>\$ 21,150</u>	<u>\$ -</u>	<u>\$ 21,150</u>
<b>Expenditures</b>			
Parks and recreation	<u>\$ 7,846</u>	<u>\$ 8,236</u>	<u>\$ (390)</u>
Receipts Over (Under) Expenditures	\$ 13,304		
Unencumbered Cash, January 1	<u>3,996</u>		
Unencumbered Cash, December 31	<u>\$ 17,300</u>		

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
EMPLOYEE BENEFIT  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Taxes	\$ -	\$ 1,000	\$ (1,000)
<b>Expenditures</b>			
Health and dental	\$ 1,273	\$ 21,666	\$ (20,393)
Firemen's relief	1,430	-	1,430
<b>Total Expenditures</b>	<u>\$ 2,703</u>	<u>\$ 21,666</u>	<u>\$ (18,963)</u>
Receipts Over (Under) Expenditures	\$ (2,703)		
Unencumbered Cash, January 1	5,689		
Cancelled encumbrances	<u>9,643</u>		
Unencumbered Cash, December 31	<u>\$ 12,629</u>		

**Regulatory-Required Supplemental Information**

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
HIGHWAY MAINTENANCE  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
State of Kansas	\$ 21,525	\$ 21,540	\$ (15)
<b>Expenditures</b>			
Street improvements	\$ -	\$ 93,143	\$ (93,143)
Receipts Over (Under) Expenditures	\$ 21,525		
Unencumbered Cash, January 1	71,618		
Unencumbered Cash, December 31	\$ 93,143		

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
DIVERSION  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Diversion fees	\$ 1,165	\$ 2,000	\$ (835)
<b>Expenditures</b>			
Law expenditures	\$ 2,331	\$ 9,802	\$ (7,471)
Receipts Over (Under) Expenditures	\$ (1,166)		
Unencumbered Cash, January 1	<u>5,452</u>		
Unencumbered Cash, December 31	<u>\$ 4,286</u>		

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
**EQUIPMENT RESERVE**  
For the Year Ended December 31, 2017

**Receipts**

Transfers in	<u>\$ 106,037</u>
--------------	-------------------

**Expenditures**

Capital outlay	<u>\$ 167,741</u>
----------------	-------------------

Receipts Over (Under) Expenditures	\$ (61,704)
------------------------------------	-------------

Unencumbered Cash, January 1	<u>250,403</u>
------------------------------	----------------

Unencumbered Cash, December 31	<u><u>\$ 188,699</u></u>
--------------------------------	--------------------------

*Regulatory-Required Supplemental Information*

**CITY OF COUNCIL GROVE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
Regulatory Basis  
COMPUTER TECH AND EQUIPMENT FUND  
For the Year Ended December 31, 2017**

<b>Receipts</b>	
Miscellaneous	\$ 5,313
<b>Expenditures</b>	
Equipment	\$ 3,419
Receipts Over (Under) Expenditures	\$ 1,894
Unencumbered Cash, January 1	10,672
Unencumbered Cash, December 31	\$ 12,566

*Regulatory-Required Supplemental Information*



**CITY OF COUNCIL GROVE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
**CAPITAL IMPROVEMENT RESERVE**  
For the Year Ended December 31, 2017

**Receipts**

Transfer in	<u>\$ 66,000</u>
-------------	------------------

**Expenditures**

Capital outlay	<u>\$ 20,903</u>
----------------	------------------

Receipts Over (Under) Expenditures	\$ 45,097
------------------------------------	-----------

Unencumbered Cash, January 1	<u>478,376</u>
------------------------------	----------------

Unencumbered Cash, December 31	<u><u>\$ 523,473</u></u>
--------------------------------	--------------------------

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
BOND AND INTEREST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Taxes	\$ 1,008	\$ -	\$ 1,008
<b>Expenditures</b>			
Principal	\$ -	\$ 8,307	\$ (8,307)
Receipts Over (Under) Expenditures	\$ 1,008		
Unencumbered Cash, January 1	9,347		
Unencumbered Cash, December 31	\$ 10,355		

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2017

**Receipts**

Other receipts	\$ 82,293
----------------	-----------

**Expenditures**

Pool project	\$ 1,000
Riverwalk project	7,655
Main Street X-Mas Lights	768
<b>Total Expenditures</b>	<b>\$ 9,423</b>

Receipts Over (Under) Expenditures	\$ 72,870
------------------------------------	-----------

Unencumbered Cash, January 1	(72,870)
------------------------------	----------

Unencumbered Cash, December 31	<u>\$ -</u>
--------------------------------	-------------

*Regulatory-Required Supplemental Information*

**CITY OF COUNCIL GROVE, KANSAS**  
**BUSINESS FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**WATER UTILITY**  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Customer receipts	\$ 768,604	\$ 680,000	\$ 88,604
Penalties	7,875	7,000	875
Reimbursed expenses	1,051	5,000	(3,949)
<b>Total Receipts</b>	<u>\$ 777,530</u>	<u>\$ 692,000</u>	<u>\$ 85,530</u>
<b>Expenditures</b>			
Production			
Personal services	\$ 93,120	\$ 117,750	\$ (24,630)
Contractual services	90,405	99,400	(8,995)
Commodities	120,994	58,300	62,694
Capital outlay	9,115	7,000	2,115
Distribution			
Salaries and Benefits	136,088	117,400	18,688
Contractual Services	58,085	55,250	2,835
Commodities	37,438	37,300	138
Capital Outlay	29,885	18,000	11,885
Commercial/Administration			
Personal services	24,892	37,150	(12,258)
Contractual services	18,808	20,900	(2,092)
Commodities	1,083	3,100	(2,017)
Capital outlay	1,296	8,500	(7,204)
Other	17,531	13,000	4,531
Debt service	202,581	155,795	46,786
Transfers out	52,500	73,500	(21,000)
<b>Total Expenditures</b>	<u>\$ 893,821</u>	<u>\$ 822,345</u>	<u>\$ 71,476</u>
Receipts Over (Under) Expenditures	\$ (116,291)		
Unencumbered Cash, January 1	<u>380,364</u>		
Unencumbered Cash, December 31	<u>\$ 264,073</u>		

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS**  
**BUSINESS FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
**WATER MAINTENANCE RESERVE**  
For the Year Ended December 31, 2017

**Receipts**

Miscellaneous	\$ 25,000
Transfers	15,000
<b>Total Receipts</b>	<u>\$ 40,000</u>

**Expenditures**

Water system maintenance	<u>\$ -</u>
--------------------------	-------------

Receipts Over (Under) Expenditures	\$ 40,000
------------------------------------	-----------

Unencumbered Cash, January 1	<u>173,031</u>
------------------------------	----------------

Unencumbered Cash, December 31	<u>\$ 213,031</u>
--------------------------------	-------------------

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
 BUSINESS FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 Regulatory Basis  
 WATER BOND RESERVE  
 For the Year Ended December 31, 2017

**Receipts**

Transfer from water

\$ -

**Expenditures**

Water system bonds

\$ -

Receipts Over (Under) Expenditures

\$ -

Unencumbered Cash, January 1

88,500

Unencumbered Cash, December 31

\$ 88,500

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
 BUSINESS FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 SEWER UTILITY  
 For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Fees, fines and forfeitures	\$ 231,443	\$ 232,000	\$ (557)
<b>Expenditures</b>			
Personal services	\$ 56,513	\$ 59,220	\$ (2,707)
Contractual services	23,150	31,750	(8,600)
Commodities	23,730	21,300	2,430
Capital outlay	3,191	9,000	(5,809)
Principal and interest	60,956	88,606	(27,650)
Transfers out	41,989	41,989	-
<b>Total Expenditures</b>	<u>\$ 209,529</u>	<u>\$ 251,865</u>	<u>\$ (42,336)</u>
Receipts Over (Under) Expenditures	\$ 21,914		
Unencumbered Cash, January 1	<u>365,380</u>		
Unencumbered Cash, December 31	<u>\$ 387,294</u>		

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS  
BUSINESS FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
Regulatory Basis  
SEWER RESERVE  
For the Year Ended December 31, 2017**

**Receipts**

Transfer from sewer	<u>\$ 20,000</u>
---------------------	------------------

**Expenditures**

Sewer system maintenance	<u>\$ 27,650</u>
--------------------------	------------------

Receipts Over (Under) Expenditures	\$ (7,650)
------------------------------------	------------

Unencumbered Cash, January 1	<u>158,712</u>
------------------------------	----------------

Unencumbered Cash, December 31	<u><u>\$ 151,062</u></u>
--------------------------------	--------------------------

*Regulatory-Required Supplemental Information*



CITY OF COUNCIL GROVE, KANSAS  
 BUSINESS FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 REFUSE UTILITY  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Charges for services	\$ 144,348	\$ 150,000	\$ (5,652)
<b>Expenditures</b>			
Contractual services	\$ 143,300	\$ 145,000	\$ (1,700)
Transfer to computer/equipment fund	-	5,000	(5,000)
<b>Total Expenditures</b>	<u>\$ 143,300</u>	<u>\$ 150,000</u>	<u>\$ (6,700)</u>
Receipts Over (Under) Expenditures	\$ 1,048		
Unencumbered Cash, January 1	<u>7,771</u>		
Unencumbered Cash, December 31	<u>\$ 8,819</u>		

**Regulatory-Required Supplemental Information**

**CITY OF COUNCIL GROVE, KANSAS**  
**TRUST FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
**CEMETERY ENDOWMENT**  
For the Year Ended December 31, 2017

**Receipts**

Lots and care	\$ 900
---------------	--------

**Expenditures**

Cemetery care	\$ -
---------------	------

Receipts Over (Under) Expenditures	\$ 900
------------------------------------	--------

Unencumbered Cash, January 1	90,795
------------------------------	--------

Unencumbered Cash, December 31	\$ 91,695
--------------------------------	-----------

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
 AGENCY FUNDS  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 Regulatory Basis  
 For the Year Ended December 31, 2017

<b>FUND</b>	<b>Beginning Cash Balance</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Ending Cash Balance</b>
Performance bond	\$ 1,913	\$ -	\$ -	\$ 1,913

*Regulatory-Required Supplemental Information*

CITY OF COUNCIL GROVE, KANSAS  
 RELATED MUNICIPAL ENTITY  
 PUBLIC BUILDING COMMISSION  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Pool P&amp;I Reserve</u>	<u>Pool Bond Reserve Acct</u>	<u>Total</u>
<b>Receipts</b>			
Lease payments from City	\$ 212,648	\$ -	\$ 212,648
<b>Expenditures</b>			
Pool principal and interest	\$ 212,648	\$ -	\$ 212,648
Receipts Over (Under) Expenditures	\$ -	\$ -	\$ -
Unencumbered Cash, January 1	\$ -	\$ 313,500	\$ 313,500
Unencumbered Cash, December 31	<u>\$ -</u>	<u>\$ 313,500</u>	<u>\$ 313,500</u>

*Regulatory-Required Supplemental Information*